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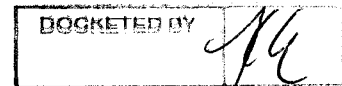
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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

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MAR 24 2016



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Attorneys for Liberty Utilities (Black Mountain Sewer) Corp.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF LIBERTY UTILITIES (BLACK
MOUNTAIN SEWER) CORP., AN
ARIZONA CORPORATION, FOR
AUTHORITY TO ISSUE EVIDENCE OF
INDEBTEDNESS IN AN AMOUNT NOT
TO EXCEED \$3,400,000.

DOCKET NO: SW-02361A-15-0206

IN THE MATTER OF THE APPLICATION
OF LIBERTY UTILITIES (BLACK
MOUNTAIN SEWER) CORP., AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS
WASTEWATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: SW-02361A-15-0207

NOTICE OF FILING

Liberty Utilities (Black Mountain Sewer) Corp. ("Liberty Black Mountain") hereby files the attached Amended and Restated Wastewater Treatment and Capacity Agreement dated March 15, 2016 between Liberty Black Mountain and the City of Scottsdale as executed by the parties to that agreement. The Amended Wastewater Treatment Agreement was approved by the Scottsdale City Council on March 15, 2016.

1 RESPECTFULLY SUBMITTED this 24th day of March, 2016.

2 SHAPIRO LAW FIRM, P.C.

3 By: _____

4 Jay L. Shapiro
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10 and

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18 Attorneys for Liberty Utilities
19 (Black Mountain Sewer) Corp.

20 **ORIGINAL and thirteen (13) copies**
21 **of the foregoing were delivered**
22 **this 24th day of March, 2016, to:**

23 Docket Control
24 Arizona Corporation Commission
25 1200 W. Washington Street
26 Phoenix, AZ 85007

COPY of the foregoing hand-delivered
this 24th day of March, 2016, to:

Sasha Paternoster, ALJ
Hearing Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

1 **COPY of the foregoing emailed**
this 24th day of March, 2016, to:

2 Robin Mitchell
3 Wes Van Cleve
4 Legal Division
5 Arizona Corporation Commission
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rmitchell@azcc.gov
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7 **COPY of the foregoing emailed & mailed**
this 24th day of March, 2016, to:

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26

**AMENDED AND RESTATED WASTEWATER TREATMENT
AND CAPACITY AGREEMENT
LIBERTY UTILITIES**

THIS AGREEMENT is made this 15th day of March, 2016 ("Effective Date"), by and between the CITY OF SCOTTSDALE, an Arizona municipal corporation ("Scottsdale" or "City"), and LIBERTY UTILITIES (Black Mountain Sewer) Corp., an Arizona public service corporation ("Liberty"), for the purposes and consideration set forth hereinafter.

RECITALS

- A. Scottsdale owns and operates a wastewater collection system and treatment facilities and participates with other municipal corporations in the joint use, operation, and maintenance of the 91st Avenue Wastewater Treatment Plant and related facilities; and
- B. Liberty is a public service corporation as defined by the Arizona Constitution and owns and operates a wastewater collection system within portions of the Town of Carefree and the City of Scottsdale, and provides wastewater utility service to approximately 2000 customers within portions of the Town of Carefree and the City of Scottsdale under rates set by the Arizona Corporation Commission ("ACC"); and
- C. Liberty owns and operates the Boulders East Wastewater Treatment Plant ("Plant"). In Decision No. 73885 (May 8, 2013), the ACC ordered that Liberty move forward with closure of the Plant; and
- D. Since 1989, Scottsdale and Liberty have entered into agreements whereby Scottsdale has accepted deliveries of wastewater from Liberty, and Liberty has purchased wastewater treatment capacity and paid Scottsdale for wastewater treatment services; and
- E. Given the passage of time and changed circumstances since the last agreement was signed in 1996, Scottsdale and Liberty wish to enter into a new agreement that supersedes the prior agreement and restates the Parties' respective rights and obligations and the terms and conditions under which Scottsdale will continue to furnish access to the purchased wastewater treatment capacity and to treat wastewater from Liberty.

NOW, THEREFORE, in consideration of the promises and agreements set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Scottsdale and Liberty agree as follows:

AGREEMENT

1. Agreement to Accept and Treat Wastewater. Subject to the terms and conditions set forth herein, Scottsdale hereby agrees to accept deliveries of wastewater from Liberty at the Point of Delivery, which means the location where Liberty's collection and transmission system connects to the City's transmission main and where wastewater from Liberty is delivered to Scottsdale's system. The Point of Delivery is located approximately 220 feet south of the intersection of Scottsdale and Dove Valley Roads, as more particularly shown on Exhibit "A," attached hereto and incorporated by this reference. All such wastewater delivered to Scottsdale shall become Scottsdale's property at and from the Point of Delivery, and, upon delivery, the transportation, and treatment of all such wastewater shall be Scottsdale's sole responsibility. Scottsdale shall have the sole and exclusive right to utilize the wastewater or other by-products contained in or produced therefrom for any purpose Scottsdale deems appropriate.

2. Wastewater Deliveries. Liberty shall make all deliveries of wastewater at such times and in such quantities as may be determined by Liberty, in its discretion; provided, all such deliveries shall be consistent with this Agreement, including the payment of all charges as set forth herein, and shall not exceed the maximum allowed capacity as specified in Section 3(c) below.

3. Wastewater Treatment Capacity.

(a) Existing Capacity. As of the Effective Date of this Agreement, Liberty has purchased a total of 400,000 gallons per day ("gpd") of treatment capacity.

(b) Additional Capacity. During the term of this agreement, Liberty shall have the right to purchase additional wastewater treatment capacity as follows:

(1) On or before, January 1, 2018, Liberty may acquire up to 120,000 gpd of additional wastewater treatment capacity at a cost of ten dollars (\$10.00) per gallon per day. The parties agree to this price for this limited amount of additional capacity in acknowledgment of Liberty's need to close the Plant as ordered by the ACC and Liberty's right under the existing agreement to purchase additional capacity for six (\$6) per gallon per day, an amount which is currently less than Scottsdale's cost to fund construction or acquisition of additional wastewater treatment plant capacity and appurtenant treatment and transportation facilities as would be required for the City to accept delivery of and treat additional amounts of Liberty's wastewater.

(2) After January 1, 2018, Liberty may also purchase from the City up to 150,000 gallons of additional wastewater treatment capacity in increments of no less than 5,000 gallons per day. The cost of additional wastewater treatment capacity purchased by Liberty under this agreement, beyond the purchase of the 120,000 additional gallons addressed immediately above, shall be not less than ten dollars (\$10.00) per gallon per day and equal to Scottsdale's then-current general rate for the acquisition of additional wastewater treatment capacity, including, but not limited to, impact fees or actual costs.

(3) In no event shall Liberty be entitled to any refund of any paid capacity charges resulting from Liberty's reduced system capacity use or failure to achieve any projected level of capacity use.

(c) Excess Flows: Prohibition and Remedy. At no time shall Liberty's deliveries of wastewater to Scottsdale exceed Liberty's then-current purchased treatment capacity. If Liberty's average daily flow for the month exceeds its then-current purchased treatment capacity for more than one month in any calendar year, or a one (1) day flow (midnight to 11:59 PM) in any given month exceeds its then-current purchased treatment capacity by twenty (20%) during the first five (5) years of the term of this Agreement, or by fifteen percent (15%) after the fifth (5th) year of the term of this Agreement, Liberty shall, within sixty (60) days of receipt of City's notice of such exceedance, purchase additional treatment capacity in accordance with Section 3(b) immediately above, but in no event shall this amount be less than the exceedance.

4. Service Area and Facilities. A map identifying Liberty's current service area and the location and size of its wastewater collection lines and transmission mains, manholes, lift stations, and other facilities is shown on attached Exhibit "B." Throughout the term of this agreement, Liberty shall provide Scottsdale with updated maps reflecting any significant additions or alterations to Liberty's system, including decommissioning of the Plant.

5. Pipeline and Point of Delivery Expenses. Liberty shall be responsible for and shall pay all costs and expenses, if any, required to: (1) provide all piping and appurtenances necessary to assure all wastewater flows currently treated at the Plant are redirected into Liberty's system once the Plant is removed from service and such flows are delivered to the Point of Delivery; (2) assure and maintain sufficient peak flow capacity within its collection system pipeline to the Point of Delivery; (3) connect Liberty's system to Scottsdale's transmission main at the Point of Delivery; and (4) satisfactorily maintain and make all subsequent repairs to such connection. At all times, Liberty shall be responsible for reporting, responding, and remediating any spills or releases of wastewater at or from its Plant and collection system up to the point of delivery.

6. Metering and Sampling of Wastewater Deliveries.

(a) Installation of Metering Facilities. Pursuant to the Parties' prior agreements, Liberty has installed, owns, and maintains a flow meter (Parshall flume) and sampling facilities to measure the quantity and quality of wastewater deliveries to Scottsdale. The location of such metering and sampling facilities is shown on attached Exhibit "C." The Parties agree the current flow meter and sampling facilities are outdated and must be replaced. No later than one (1) year from this Agreement's Effective Date, Liberty shall install, at its cost, a new flow meter and upgraded sampling vault facilities which shall be substantially equivalent to the facilities shown on attached Exhibit "D", unless Scottsdale, in its sole discretion, determines otherwise. Liberty shall own the flow measurement and sampling facilities and shall assume and pay for all future costs required to satisfactorily repair and maintain such facilities. The flow meter shall be tested and calibrated annually in accordance with the Scottsdale Revised Code for industrial and large volume users.

(1) Flow Measurement. Liberty shall continuously measure wastewater flow delivery data and arrange for directly transmitting to Scottsdale daily electronic reports of the quantity of wastewater delivered to Scottsdale at the Point of Delivery. The flow meter shall be capable of measuring flow under all conditions with a maximum accuracy of $\pm 2\%$. Scottsdale shall approve any deviation from this accuracy. Liberty shall submit in writing to Scottsdale, specifications for the proposed flow meter. The City shall have the right to approve the selected flow meter.

(2) Sampling. Liberty shall measure the quality of the wastewater delivered to Scottsdale, inclusive of Local Limits, chemical oxygen demand (COD) expressed as milligrams per liter, and total suspended solids (TSS) expressed as milligrams per liter, on a quarterly or semi-annual sampling frequency basis as set forth in Table 1. Twenty-four (24) hour flow weighted composite samples shall be taken during regular business hours for a seven (7) day period, during the calendar week immediately preceding the last day of February, May, August, and November for quarterly sampling and during the calendar week immediately preceding the last day of March and September for semi-annual sampling. Standard sampling shall be used, as specified in the Scottsdale Revised Code, and all samples shall be delivered to and tested by a testing laboratory acceptable to both Parties. Liberty shall direct the laboratory to provide copies of all sampling results to both Liberty and Scottsdale's Water Resources Division within twenty (20) days after any sampling event.

(b) Right of Inspection. Scottsdale shall have the right to inspect the connection to Scottsdale's transmission main, the flow meter, and the sampling facilities at all reasonable hours for any purpose related to the exercise of its rights provided under this Agreement or by any applicable law, and may be present during any flow measurement readings and sampling events. Scottsdale may, in its discretion and at its sole risk and expense, conduct random measurements and sampling of wastewater flows at any time, provided that such measurement and sampling shall not unreasonably interfere with Liberty's operations. Upon Scottsdale's request, Liberty shall test the flow meter and sampling facilities and repair or replace any portion thereof determined to be materially defective or inaccurate.

7. User Charges and Billings.

(a) User Charges. Liberty shall pay to Scottsdale the City's sewer user charges for all wastewater delivered to Scottsdale. Sewer user charges shall be calculated on a monthly basis and shall be based upon the quantity and quality of wastewater actually delivered to Scottsdale each month. Quarterly sampling results will be used to bill for COD and TSS; i.e. February sampling results will be reflected in the April, May and June billings and May sampling results will be reflected in the July, August and September billings.. If sampling results are delayed or unavailable, the prior quarter's results will be increased by two (2) percent. For the purpose of calculating such user charges, Liberty shall be classified as a "non-uniform discharger, large volume and industrial user" as set forth in the Scottsdale Revised Code Chapter 49, Article IV, Division 3 titled "User Rates and Charges", a copy of a portion of which and an example of calculation for one month is attached hereto as Exhibit "E". Scottsdale may subsequently modify Liberty's user charges to correspond to any modifications to Scottsdale's rates for all "non-uniform discharger, large volume and industrial users" or to any other applicable user classification, or as the Parties may otherwise agree.

(1) The monthly flow will be determined by adding the totalized daily flow that occurs during the billing month. If there is missing flow data during the month, the last daily flow measurement prior to the data gap will be used in place of the missing data.

(2) The average of the composite quarterly COD and TSS sample results will be used to determine the monthly loading expressed in pounds as shown in Exhibit E. Of the seven composite samples collected for both COD and TSS during the quarter, the highest and lowest concentration will be eliminated and the average of the remaining samples

will be calculated. If less than seven composite samples are collected, the same process will apply by eliminating the highest and lowest concentration.

(b) Billings.

(1) Billing for User Charges. No later than thirty (30) days after the end of each month, the City will submit to Liberty a billing statement setting forth an itemization of all sewer user charges (volume, rate, etc.) incurred during the prior month, including, if applicable, any wastewater treatment plant capacity charges owed to the City. Liberty shall pay Scottsdale all such charges no later than thirty (30) days following delivery of Scottsdale's billing statement. An interest charge of three percent (3.0%) per annum shall be added to any charges not paid by the due date.

(2) Billing Disputes. If Liberty disputes any billed charge, it shall pay to the City the entire amount on the statement under protest. Such protests shall be in writing, accompany the disputed payment, and specify the reasons for the protest. The Parties will attempt in good faith to resolve any such protests.

8. Standards Governing Wastewater Deliveries.

(a) Definitions.

(1) "FOG" means fats, oils, and grease which are waste products produced by restaurants and food service kitchens.

(2) "NPDES Permit" means any current or amended National Pollution Discharge Elimination System permit issued by EPA to the City of Phoenix ("Phoenix") in accordance with the provisions of §402 of The Clean Water Act (33 U.S.C. § 1342) and which authorizes Phoenix to discharge treated wastewater from the 91st Avenue Wastewater Treatment Plant. "NPDES Permit" also means any Arizona Pollution Discharge Elimination Permit issued by the Arizona Department of Environmental Quality when granted primacy by the EPA to issue such a permit and such a permit is issued and authorizes Phoenix to discharge treated wastewater from the 91st Avenue Wastewater Treatment Plant.

(3) "Wastewater" means treated or untreated liquid or water-borne waste or sewage from a water reclamation plant or from any residential, industrial, manufacturing, commercial, or governmental source, including sludge resulting from the treatment of wastewater and sewage by Liberty.

(b) Pretreatment Program and Report.

(1) Liberty shall develop and implement a pretreatment/FOG program that satisfies all applicable federal, state, and Scottsdale Revised Code pretreatment requirements and authorizes enforcement measures. Such program shall include general and specific prohibitions, including prohibitions against the introduction of pollutants that cause pass-through or interference. In the event the delivered wastewater does not meet applicable pretreatment requirements, and upon City's verification of same, Liberty shall promptly undertake such enforcement action as is necessary to bring its wastewater deliveries into compliance, including seeking ACC approval if necessary before going into effect, and, if filed,

the City shall reasonably support Liberty's request for approval of such program as requested by Liberty.

(2) By no later than January 31st of each year, Liberty shall submit to the City an annual Pretreatment Report which shall be prepared in accordance with the guidelines set forth in Table 2, attached.

(c) Pretreatment Standards. Liberty will undertake all required measures, including, but not limited to, adoption of appropriate tariffs, to ensure that any wastewater generated by its customers and delivered to Scottsdale's collection and treatment facilities meets the pre-treatment standards and requirements set forth in 40 C.F.R. Part 403 and as otherwise required by the Environmental Protection Agency, the Arizona Department of Environmental Quality, or any other governmental agency with jurisdiction. Scottsdale is authorized to randomly sample wastewater at the Point of Delivery or at any location where Liberty's wastewater enters into Scottsdale's collection and treatment system to ensure that such wastewater meets Scottsdale's pretreatment standards and local limits discharge requirements as set forth in Table 1.

(d) Pretreatment Violations. Within twenty-four (24) hours of its detection of a violation of any Pretreatment Standard (discharge limit) set forth herein, Liberty shall: (1) notify Scottsdale's Water Resources Division ("Division"); and (2) re-sample its wastewater at the same sampling location of the Pretreatment Standard violation. Liberty shall submit all such sampling and re-sampling results to the Division and shall continue to re-sample so long as any pretreatment violation persists. Written copies of all results that indicate a violation must be submitted to the Division within thirty (30) days of sampling. The Division may require additional sampling as needed to confirm the status and resolution of any pretreatment violations in accordance with Scottsdale's Pretreatment Enforcement Response Plan. All such samples must be analyzed according to approved laboratory procedures in accordance with this Agreement.

(e) Infiltration Standards. No later than one (1) year after the Effective Date, Liberty will undertake an infiltration reduction program of its collection system to reduce excessive infiltration flows and/or sand and gravel deposits that enter its collection system. Such program will include, at a minimum, a system plan that demonstrates where infiltration is occurring along with a video record of the impacted sewers and manholes, identified improvements required to reduce infiltration, and a schedule showing when such improvements will be initiated. On an annual basis, Scottsdale shall have the right to require Liberty to provide evidence of its infiltration reduction program performance. Scottsdale reserves the right to impose an additional infiltration surcharge related to excessive infiltration flows and/or sand and gravel deposits which interfere with the City's collection system or treatment operations or if Liberty fails to conduct a satisfactory program.

9. Term. Upon the Parties' execution of this Agreement (the "Effective Date"), the term of this Agreement shall commence as of the Effective Date and shall continue thereafter for an initial term of twenty (20) years. Unless otherwise terminated earlier in accordance with Sections 11 and 12, this Agreement shall terminate without further notice of the Parties on the anniversary date of the Effective Date of this Agreement. Notwithstanding the foregoing, upon the expiration of the initial twenty (20) year term, this Agreement may be renewed for one or more additional five (5) year terms as the Parties may mutually agree, provided Liberty is not in default hereunder.

10. Termination of Prior Agreements. All prior agreements between the Parties, including the Wastewater Treatment Agreement No. 960058 shall terminate and be superseded by this Agreement once it has been fully executed.

11. Compliance with Laws and Prohibitions.

(a) Liberty shall comply with all categorical standards, pretreatment requirements, and other requirements set forth in the Scottsdale Revised Code governing wastewater discharges to Scottsdale's sewer system. Wastewater shall meet such discharge standards and shall not contain any prohibited substance or prohibited quantities of substances as set forth in the Scottsdale Revised Code and Table 1.

(b) Liberty agrees to comply with any and all conditions imposed by Scottsdale and Phoenix to fulfill their respective obligations under Agreement No. 22699, the SubRegional Operating Group Intergovernmental Agreement for the Construction, Operation and Maintenance of Jointly Used Sewage Treatment and Transportation Facilities, as it may be amended, and the NPDES Permit.

(c) Liberty shall not accept nor allow the discharge into the wastewater collection system, wastewater from any liquid waste haulers, septic haulers, or non-sewered dischargers.

(d) Liberty shall be responsible for enforcing within its service area such restrictions and limitations as required to prevent the introduction of pollutants into the wastewater collection system which may interfere with the operation of any treatment facilities, including interference with the use and disposal of sludge. Liberty shall also comply with all bypass requirements set forth in 40 C.F.R. §403.17.

(e) Notwithstanding anything in this Agreement to the contrary, Liberty's failure to comply with the pretreatment standards and discharge limitations set forth herein shall be considered an act of default, and Scottsdale shall be allowed to enforce any legal or equitable remedy, including but not limited to, discontinuance of wastewater treatment services or termination of this Agreement, subject to Liberty's right to cure as provided in Section 12.

12. Default and Termination.

(a) Liberty's breach of a material provision of this Agreement, including the failure of timely payment of treatment and capacity charges, shall constitute a default. In the event of a default by Liberty hereunder, Scottsdale shall have the right to terminate this Agreement by providing to Liberty a written notice specifying the nature of the default not less than thirty (30) days prior to a designated termination date. If Liberty cures the default prior to the date of termination, this Agreement shall not terminate and shall continue in effect.

(b) If the cure period set forth in the default notice has elapsed and the default has not been cured to the City's satisfaction, this Agreement shall terminate without further action, and Liberty shall immediately disconnect Liberty's collection and transmission system from Scottsdale's transmission main at Liberty's expense. If Liberty does not disconnect its collection and transmission system from Scottsdale's transmission main within five (5) days of the termination date, then Scottsdale may disconnect Liberty's collection and transmission system from Scottsdale's transmission main, and Liberty shall reimburse the City for all such

reasonably incurred disconnection costs and expenses. The foregoing right to disconnect shall not be deemed to limit or waive any other legal or equitable remedies available to the City in the event of a default.

13. Violation Fee Payment. Notwithstanding Section 12, Liberty shall pay a Violation Fee Payment to the City as follows:

(a) Liberty's failure to comply with time and performance requirements in this Agreement will result in money damages to Scottsdale for which it is and will be impracticable to determine the actual amount. Liberty shall pay the Violation Fee Payment in lieu of Liberty paying money damages to Scottsdale for Liberty's violation of the provisions of this Agreement for which a Violation Fee Payment is specified.

(b) A Violation Fee Payment is only intended to remedy direct money damage that the City suffers because of Liberty's breach. Liberty's payment of a Violation Fee Payment does not in any way excuse Liberty's breach of this Agreement or limit in any way the City's exercise of any other legal or equitable remedy for such breach. No cure period applies to the accrual of a Violation Fee Payment. For example, a Violation Fee Payment for Liberty's failure to comply with its obligation to satisfactorily repair flow measurement facilities shall begin to accrue on the first day that Liberty fails to remedy such violation after receipt of notice of the violation from Scottsdale and each day shall be a continuing violation. Multiple but different Violation Fees arising out of the same act or omission shall not be applied cumulatively to Liberty.

(c) The amount of the Violation Fee Payment per day or part thereof is as follows:

(1) The amount of \$1,000.00 per day if Liberty fails to provide and maintain sufficient peak flow capacity within its collection system pipeline and/or maintain necessary repairs to the connection at the Point of Delivery as set forth in Section 5 within sixty (60) days after Scottsdale's notice to correct such failure;

(2) The amount of \$750.00 per day if Liberty fails to install, repair or maintain metering and sampling facilities as set forth in Section 6 within sixty (60) days after Scottsdale's notice to correct such failure;

(3) The amount of \$1,500.00 per day if Liberty fails to comply with any pretreatment prohibitions, standards and requirements as set forth in Section 8 within fifteen (15) days after Scottsdale's notice to correct such failure;

(4) The amount of \$1,000.00 per day if Liberty fails to comply with any laws or prohibitions as set forth in Section 11 within fifteen (15) days after Scottsdale's notice to correct such failure.

(5) The amount of \$100.00 per day if Liberty fails to comply with the insurance requirements set forth in Exhibit F within fifteen (15) days after Scottsdale's notice to correct such failure.

(d) Violation Fee Payments shall be assessed as follows;

(1) If Scottsdale determines that Liberty has committed a violation of this Agreement and has assessed a Violation Fee Payment, then Scottsdale shall issue a written notice to Liberty setting forth the nature of the violation and the amount of the Violation Fee Payment. Service of the notice shall be by personal service or by certified mail, return receipt requested.

(2) Liberty shall have thirty (30) days after receipt of the notice of violation to pay the Violation Fee Payment. If Liberty fails to pay the Violation Fee within thirty (30) days after receipt of the notice of the violation and pay the Violation Fee Payment, the Violation Fee Payment shall be considered delinquent.

(3) If Liberty desires to contest the alleged violation and the Violation Fee Payment, it must do so within forty-five (45) days after the delinquent date by filing a Request for Hearing with the Water Resources Director or designee. If Liberty requests a hearing on the alleged violation and the Violation Fee Payment, the Violation Fee Payment shall not be due and payable until the appeal process has been completed and an order issued by the hearing officer or the court. Failure to timely file the Request for Hearing shall waive Liberty's right to a hearing on the alleged violation and the Violation Fee Payment, and the Violation Fee Payment shall be immediately due and payable. Scottsdale shall provide Liberty at least ten (10) days prior written notice of such hearing, which shall specify the time, place, and purpose of such hearing. At such hearing, Liberty shall be provided a full and fair opportunity to be heard and present evidence. The hearing officer shall be the designee of the Water Resources Director. At the hearing, the City shall present its evidence first, followed by Liberty. The Rules of Evidence shall not apply, and testimony shall not be taken under oath.

(4) Liberty may appeal the outcome of the hearing to a court of competent jurisdiction which shall have the power to review Scottsdale's decision *de novo*. Such appeal must be filed within sixty (60) days after the issuance of Scottsdale's determination. Otherwise, the outcome of the hearing shall be final and conclusive as between Scottsdale and Liberty. If Liberty is unsuccessful in its *de novo* appeal, it will pay the City its reasonable attorney's fees and court costs, including any fees for any expert witnesses.

(5) If Liberty fails to timely appeal, or if, after a *de novo* decision upholding the City's decision, Liberty fails to pay all sums due and owing to the City within thirty (30) days thereafter, the City may take such actions as it considers necessary to collect all sums due, including recovery of reasonable attorney's fees and costs of collection.

14. SROG Approval. Notwithstanding anything in this Agreement to the contrary, this Agreement is conditioned upon receiving any consent and approvals that may be required by the SubRegional Operating Group and its members (including the City of Phoenix) no later than forty-five (45) days after the Effective Date of this Agreement. In the event such consent and approvals are not obtained within the foregoing time period, or Scottsdale is otherwise prohibited from entering into this Agreement by the SubRegional Operating Group, this Agreement shall, without further action by the Parties, be null and void and of no further force and effect.

15. Liability, Indemnification, and Insurance.

(a) Scottsdale shall not be responsible for the control, conveyance, handling, use, disposal, or distribution of wastewater upstream of the Point of Delivery. Liberty shall not

be responsible for the control, conveyance, handling, use, disposal or distribution of wastewater downstream of the Point of Delivery, except to the extent that Scottsdale may pass on to Liberty such charges and costs, including those resulting from damage claims, in accordance with this Agreement. To the fullest extent permitted by law, Liberty, its successors, assigns and designees shall defend, indemnify, and hold Scottsdale and its officers, agents and employees harmless from and against all claims, damages, losses, expenses, including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expenses, related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by Liberty or its employees, agents, or contractors under this Agreement, including the failure of Liberty, its successors, assigns, and designees or those acting for them to conform with any decrees, decisions, statutes, ordinances, laws, or regulations. These indemnity and defense obligations shall not apply to the extent such claims, damages, losses and/or expenses are caused by Scottsdale or any third party not affiliated with Liberty.

(b) The insurance provisions attached as Exhibit F are separate and independent from the indemnification provisions stated above and will not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions stated above will not be construed in any way to limit the scope, magnitude, and applicability of the insurance provisions.

16. License to Use of Right-of-Way. The Parties acknowledge a portion of Liberty's system, including wastewater collection pipelines, are located within certain City owned public streets, alleys, or utility easements ("Right-of-way") and that Liberty operates its system without a formal agreement or franchise with the City for such use within the City's Right-of-way. Liberty shall use the Right-of-way solely for the collection of wastewater in Liberty's underground pipelines for delivery of wastewater from its customers to the City's Point of Delivery. The Parties will enter into an Operating Agreement that will include reasonable compensation to the City from Liberty for use of the City's Rights-of-way. Liberty is not waiving any pre-existing Rights-of-way or other rights under this Agreement to the extent such pre-existing Rights-of-way or other rights exist.

(a) Right-of-way Defined. The Right-of-way is limited to the public street and alley rights-of-way and public utility easements that are owned by the City. The land comprising the Right-of-way will decrease, increase, and otherwise change over time due to abandonments, dedications, annexations, de-annexations, designations, de-designations and other events that affect the amount of land included in the City's public utility right-of-way network inventory. This Agreement shall not allow Liberty to use Right-of-way that is abandoned, condemned, removed from the Boundaries, or is otherwise no longer part of the City's public street and alley right-of-way network or public utility easement network.

(b) Non-Use Areas. Liberty shall not use or occupy any portion of the Right-of-way other than as necessary to perform its obligations under this Agreement.

(c) Condition of Right-of-way. The Right-of-way is being made available in an "as is" condition without any express or implied warranties of any kind, including without limitation any warranties or representations as to its condition or fitness for any use.

(d) No Real Property Interest. Notwithstanding any provision hereof to the contrary, and notwithstanding any negotiation, correspondence, course of performance or dealing,

or other statements or acts by or between the parties, Liberty's rights herein are limited to use and occupation of the Right-of-way for the Permitted Uses. Liberty's rights in the Right-of-way are limited to the specific limited license rights created by this Agreement.

(e) Limited Rights in Right-of-way. This Agreement grants Liberty no rights to or further use of the Right-of-way other than those limited rights expressly granted herein. Liberty accepts the risk that subject to the City's and Liberty's compliance with this Agreement, the City may use the Right-of-way in a manner inconsistent with Liberty's use. In that event, Liberty's use shall be subordinated and Liberty shall not be entitled to compensation from the City.

(f) Use Priority. This Agreement does not establish any priority for Liberty to use the Right-of-way over any other present or future users of the Right-of-way. Liberty's use of the Right-of-way shall be subordinate to any prior or subsequent lawful occupancy or use thereof by the City or any other governmental entity. The priority of use of the Right-of-way shall first be to the City (including uses the City may extend to the public generally), the second priority to the State of Arizona and its political subdivisions in the performance of their various functions, and, thereafter, as between recipients of license agreements and other permit holders, as determined by the City in the exercise of its powers, including the police power and other powers reserved to and conferred on the City by the State of Arizona and the people of the City of Scottsdale.

(g) Right-of-way Management. The City shall have full authority to regulate the use of the Right-of-way and to resolve competing demands and preferences regarding use of the Right-of-way and to require Liberty to cooperate and participate in implementing such resolutions.

(h) Relocation. When necessary for the City's management of the Right-of-way, the City may require Liberty to temporarily or permanently relocate or otherwise modify the collection system (the "Relocation Work") as follows:

(1) Whenever the City shall require Liberty to perform Relocation Work, it shall be the obligation of Liberty, upon notice of such requirement and written demand made of the City, to commence the relocation within a reasonable time, but no more than thirty (30) days after the date of notice. If permits for such work are required, "commencement" of relocation will mean a good faith application for such permits and the beginning of work promptly after issuance of the permits by the City. Liberty shall complete such relocation within a reasonable period of time, but no more than one hundred twenty (120) days from the date of permit issuance (if applicable) or the beginning of work, whichever is sooner, unless such time is extended by the City Manager. The City agrees to consult with Liberty regarding alternate space where available, within the Right-of-way, at no additional cost to Liberty.

(2) Liberty shall perform the Relocation Work at its own expense when required by the City's city manager or designee.

(3) The Relocation Work includes all work determined by the City to be necessary to accommodate competing activities, including without limitation temporarily or permanently removing, protecting, supporting, disconnecting, relocating or removing any portion of Liberty's collection system.

(4) After notice to Liberty, the City may perform any part of the Relocation Work that has not been performed within the allotted time. Liberty shall reimburse the City for its actual and documented costs necessary to complete any Relocation Work.

(5) The City has no obligation to move Liberty's, the City's, or any others' facilities.

(6) All Relocation Work shall be subject to and comply with all other provisions of this Agreement.

(7) If Relocation Work is required solely to accommodate a third party's facilities or third-party project, then Liberty is not obligated to move Liberty's facilities unless the third party bears the cost.

(l) Disruption by Competing Users. Neither the City nor any agent, contractor or employee of the City shall be liable to Liberty, its customers or third parties for any service disruption or for any other harm caused them or the collection system due to competing users or competing activities.

(j) It is recognized that a portion of Liberty's Utility System is located within private streets within various subdivisions. Liberty shall be obligated to comply with the requirements of the owner of those private streets for any work to be done within those private streets, provided, however, that the owner of those private streets have not granted to the City a Public Utility Easement (PUE) in those private streets. If the City has been granted a PUE, then Liberty shall comply with the City's requirements for access to and work in that PUE.

(k) At such time in the future as is determined by the City, the City may request that Liberty seek voter approval of a franchise agreement with the City. Liberty will negotiate in good faith regarding such agreement and upon voter approval, enter into a franchise agreement on such terms and conditions as the parties may agree. Liberty shall not undertake any construction or other work within the Right-of-way without first securing and thereafter complying with standard encroachment permits and other City permissions.

17. Notices. Any notice, report, demand, invoice, instruction or other document provided for or made in connection with this Agreement shall be deemed properly served or given if delivered in person or any other recognized delivery service, or sent by the United States Postal Service, registered or certified mail, return receipt requested and postage prepaid to the persons specified below:

For Liberty: Matthew Garlick
Liberty Utilities, (Black Mountain Sewer) Corp.
12725 West Indian School Road, Suite D-101
Avondale, AZ 85392
Phone: (623) 298-3763

For the City: Water Resources Director or designee
9379 E. San Salvador Drive
Scottsdale, AZ 85228
Phone: (480) 312-5683

The designation of any person specified above or the address of any such person may be changed at any time by notice given in the same manner as provided for in this Section 16.

18. General Provisions. The following general provisions shall apply to this Agreement except as expressly provided otherwise herein:

(a) This Agreement sets forth the entire agreement between the Parties regarding its subject matter and supersedes all prior agreements, promises and discussions, written and oral, between the Parties. This Agreement may be amended or modified only by a writing executed by the Parties.

(b) All recitals, exhibits, and tables referenced herein and attached to this Agreement are hereby incorporated by this reference.

(c) Time is of the essence of this Agreement and each provision contained herein. Any extension of time granted for the performance of any duty hereunder shall not be considered an extension of time for the performance of any other duty under this Agreement.

(d) The relationship between the Parties under this Agreement is that of an independent contractor, and neither Party shall be deemed to be the agent or employee of the other. Nothing in this Agreement shall be construed to give any rights or benefits to any person or entity other than the Parties.

(e) This Agreement shall be deemed to be made under, and shall be construed in accordance with and governed by, the laws of the State of Arizona. All legal proceedings related to the subject matter of this Agreement shall be maintained in federal court sitting in the District of Arizona or the appropriate Arizona state court. The jurisdiction and venue for such proceedings shall lie exclusively with such courts.

(f) If either Party brings any action for any legal, equitable, or declaratory relief arising out of this Agreement, or on account of any breach or default thereof, the prevailing party will be entitled to receive from the other Party reasonable attorney's fees, costs, and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable regardless of whether such action is prosecuted to judgment.

(g) Each Party has reviewed and revised this Agreement, and any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits hereto.

(h) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Cancellation of Contracts. The Parties acknowledge that this Agreement is subject to cancellation pursuant to the provisions of Arizona Revised Statutes, § 38-511.

EXHIBITS: A Point of Delivery
 B Liberty (Black Mountain Sewer) Corp. CC&N
 C Metering/sampling location
 D Proposed new flow meter & sampling vault
 E User rates/charges
 F Insurance Requirements

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(Signatures on next page.)

LIBERTY UTILITIES (BLACK MOUNTAIN SEWER)
CORP., an Arizona public service corporation

By Matthew Garlick
Matthew Garlick
Its: President #2/Tx

ATTEST:

CITY OF SCOTTSDALE, an Arizona municipal
corporation

Carolyn Jagger
Carolyn Jagger
City Clerk

By W. J. "Jim" Lane
W. J. "Jim" Lane
Mayor

CITY OF SCOTTSDALE REVIEW:

Brian K. Biesemeyer
Brian K. Biesemeyer,
Scottsdale Water Resources Director

Katie Callaway
Katie Callaway
Risk Management Director

APPROVED AS TO FORM:

Clifford J. Frey
Bruce Washburn, City Attorney
By: Clifford J. Frey
Senior Assistant City Attorney

Table 1

Wastewater Limitations and Sampling Requirements					
Parameter (1)	Daily Maximum	Monthly Average	Instant. Effluent Limit	Sampling Method	Minimum Sampling Frequency (2)
Effluent Flow (gallons per day)	N/A	N/A	N/A	Measured	Each Discharge
Arsenic	0.13	N/A	N/A	Composite	Q
Cadmium	0.047	N/A	N/A	Composite	Q
Copper	1.5	N/A	N/A	Composite	Q
Lead	0.41	N/A	N/A	Composite	Q
Mercury	0.0023	N/A	N/A	Composite	Q
Selenium	0.10	N/A	N/A	Composite	Q
Silver	1.2	N/A	N/A	Composite	Q
Zinc	3.5	N/A	N/A	Composite	Q
Cyanide (3)	2.0	N/A	N/A	Grab	Q
Temperature	N/A	N/A	150°F / 60	Grab	Q
pH (standard units) (4)	N/A	N/A	5.0–10.5	Grab	Q
Total Toxic Organics (TTO)	1.37	N/A	N/A	Grab/Comp	Semi-Annual
Benzene	N/A	N/A	0.035	Grab	Semi-Annual
Chloroform	N/A	N/A	2.000	Grab	Semi-Annual
4, 4' - DDE	Prohibited	N/A	N/A	Composite	Semi-Annual
4, 4' - DDT	Prohibited	N/A	N/A	Composite	Semi-Annual
Aldrin	Prohibited	N/A	N/A	Composite	Semi-Annual
BHC – Alpha	Prohibited	N/A	N/A	Composite	Semi-Annual
BHC – Beta	Prohibited	N/A	N/A	Composite	Semi-Annual
BHC – Gamma	Prohibited	N/A	N/A	Composite	Semi-Annual
Heptachlor	Prohibited	N/A	N/A	Composite	Semi-Annual
Heptachlor Epoxide	Prohibited	N/A	N/A	Composite	Semi-Annual
Polychlorinated Biphenyl Compounds (PCB's)	Prohibited	N/A	N/A	Composite	Semi-Annual
SROG- Chemical Oxygen Demand (COD)	N/A	N/A	N/A	Grab	Q
SROG- Total Suspended Solids (TSS)	N/A	N/A	N/A	Grab	Q

- (1) Unless otherwise noted, all limits are in mg/L and in total form.
(2) Q = Quarterly. SA = Semi-Annually. A = Annually.
(3) Cyanide limitations apply, and monitoring shall occur downstream of any Cyanide pretreatment facilities prior to combining with other flows.
(4) pH is measured by standard units.

Table 2 Annual Report Guidelines

Report Contents	Description
Cover Letter	Name, Address, Date, Signature, Certification Statement (SRC 49-162)
Introduction, History, Customer Survey	History of Liberty; Survey/Inventory of Non-domestic Customers
Best Management Practices	Training related to pretreatment pollution prevention and waste minimization. Education and outreach activities.
Number of Commercial Inspections	Number of Fats Oil and Grease (FOG), Petroleum Oil Grease (POG) inspections or Industrial Waste Surveys (IWS)
Pretreatment Program Summary	Compliance actions and program changes

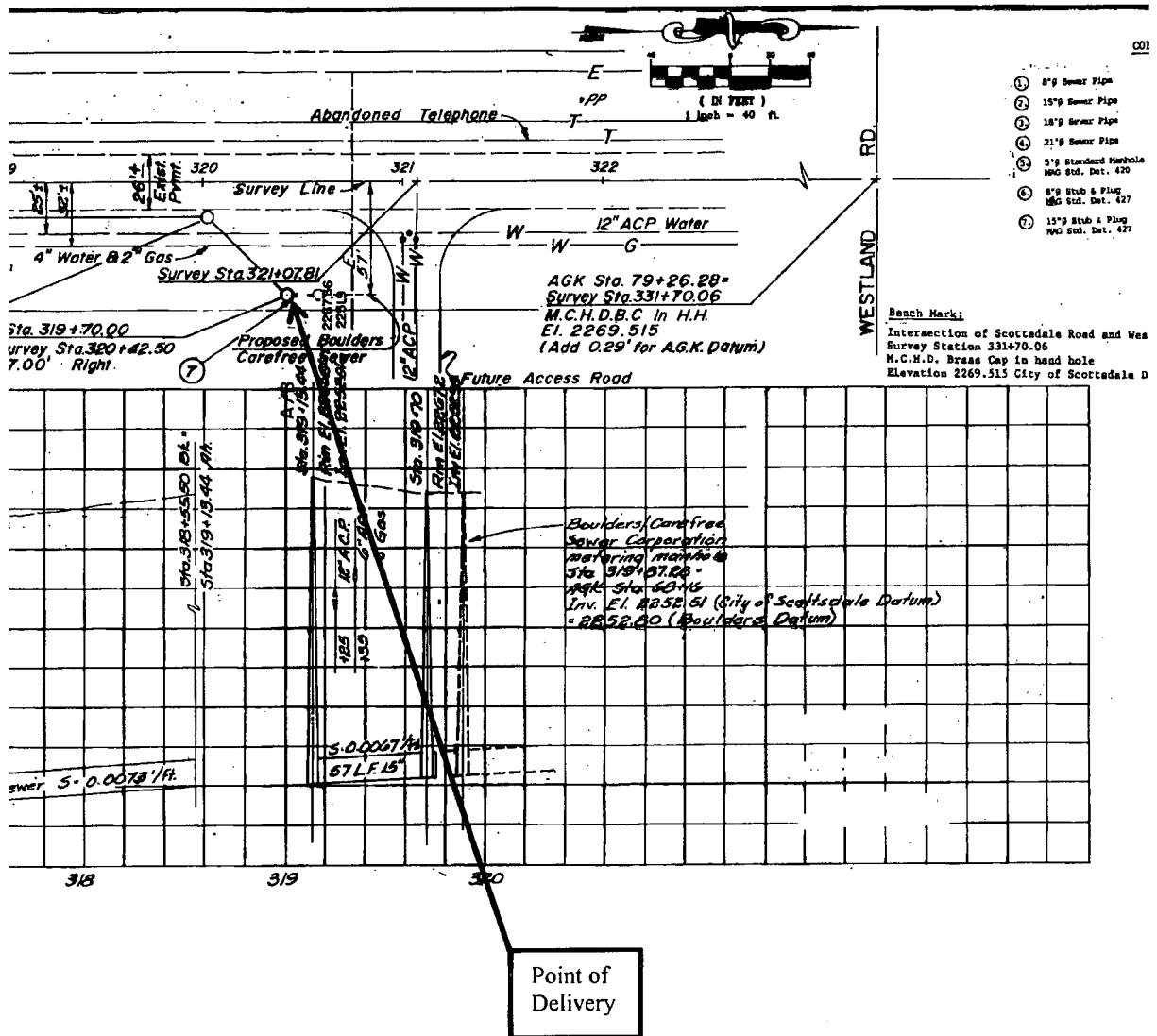


EXHIBIT A

Exhibit B
MAP OF SERVICE AREA

Sewer Utility System: Black Mountain, AZ

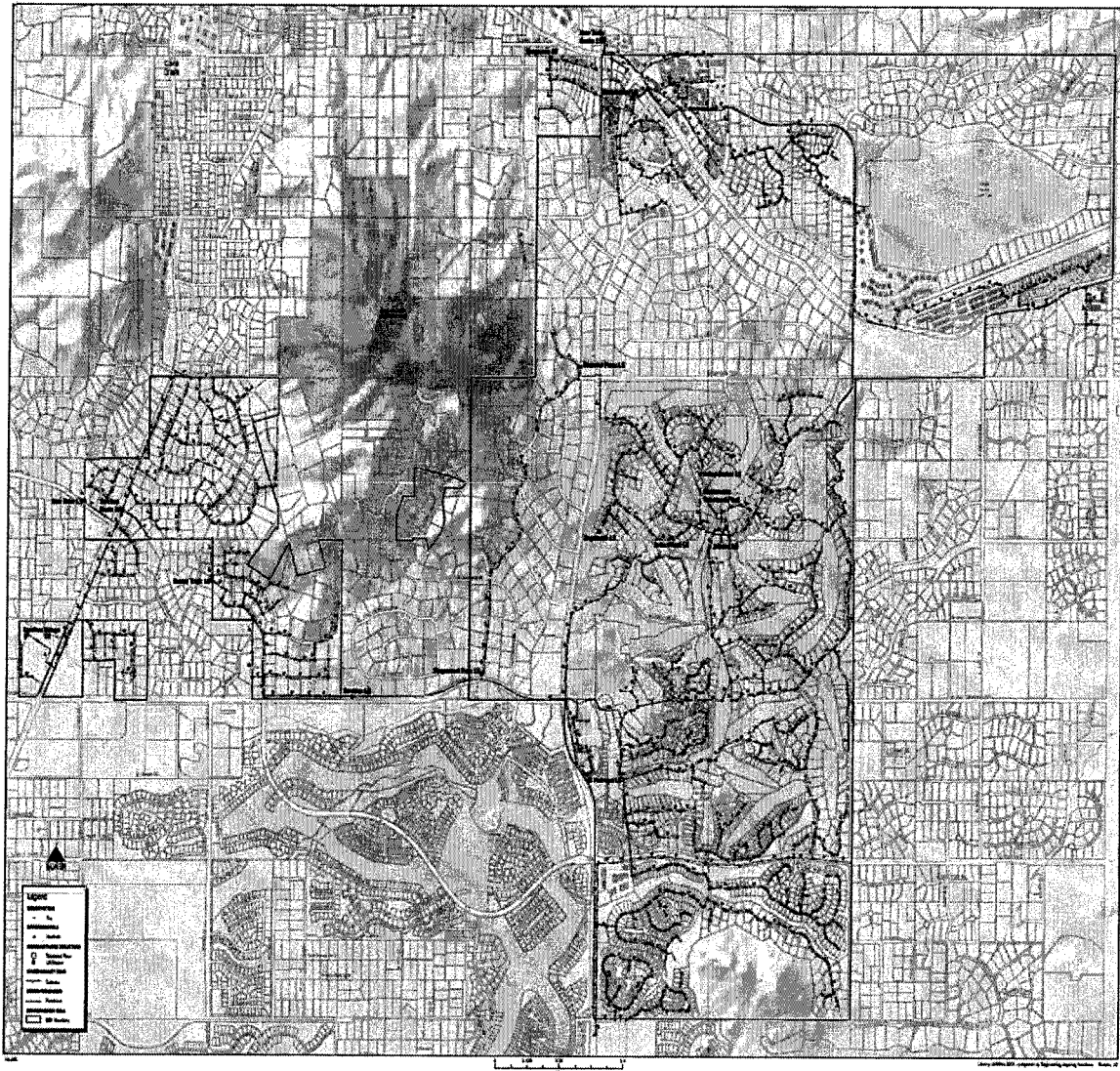


Exhibit C



Metering
Station

EXHIBIT D

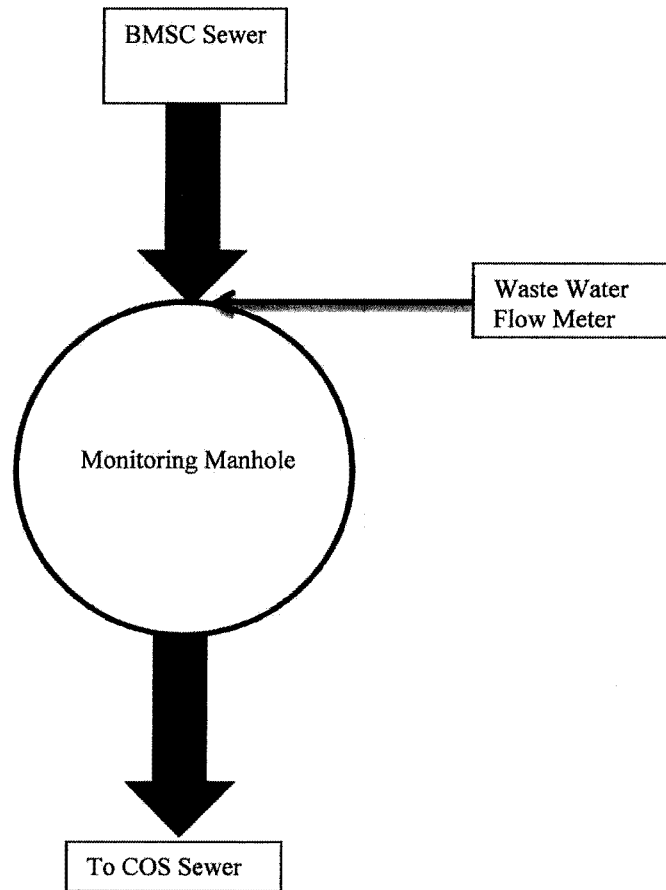


EXHIBIT E

City of Revised Code Chapter 49, Article IV, Division 3, Section 141, (g):

- (2) *Non-uniform discharger, large volume and industrial user charges* shall provide for a customized user rate which will reflect variations in discharge quality and recover the cost of rendering sanitary sewer service for the year during which charges shall be in effect.

Example of monthly calculation in which 8,690,000 gallons were delivered:

Factor	MG	COD/ TSS	Total COD/TSS	Conversion Factor	Total Pounds	Price Per Pound	Total
	(A)	(B)	(A) x (B) = (C)	(D)	(C) x (D)=(E)	(F)	(E) x (F)
COD	8.69	600	5,214	8.34	43,485	\$0.13	\$5,653.02
TSS	8.69	350	3,042	8.34	25,366	\$0.33	\$8,370.82
FLOW	8,690,000 delivered at \$1.79 per 1,000 gallons =						\$15,555.10
Total Before Taxes							\$29,578.94

EXHIBIT F

INSURANCE REQUIREMENTS

Insurance provisions stated herein are separate and independent from the indemnity provisions of Section 15 and will not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of Section 14 will not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

A. General:

Without limiting any Liberty obligations or liabilities, Liberty must purchase and maintain, at its own expense, stipulated minimum insurance with insurance companies properly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of B ++ 6 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to City of Scottsdale. Failure to maintain insurance as specified may result in termination of this Agreement at City of Scottsdale's option.

A current standard Acord Certificate is acceptable.

Failure to provide an appropriate Certificate of Insurance will result in rejection of your certificate and delay in Agreement execution.

Additionally, Certificates of Insurance submitted without referencing an Agreement number will be subject to rejection and returned or discarded.

B. Insurance Representations and Requirements:

No Representation of Coverage Adequacy: By requiring the insurance stated in this Agreement, the City of Scottsdale does not represent that coverage and limits will be adequate to protect Liberty. City of Scottsdale reserves the right to review any and all of the insurance policies and/or endorsements required by this Agreement but has no obligation to do so. Failure to demand any evidence of full compliance with the insurance requirements stated in this Agreement or failure to identify any insurance deficiency does not relieve Liberty from, nor shall be construed or considered a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

Coverage Term: All insurance required by this Agreement must be maintained in full force and effect throughout the initial term or any renewal of this Agreement, unless the parties otherwise mutually agree in writing.

Claims Made: In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall continue uninterrupted throughout the term of this Agreement by keeping coverage in force using the Effective Date of this Agreement as the retroactive date on all "claims made" policies. The retroactive date for exclusion of claims must be on or before the Effective Date of this Agreement and can never be after the Effective Date of this Agreement. Upon completion or termination of this Agreement, the "claims made" coverage shall be extended for an additional three (3) years using the original retroactive date, either through purchasing an extended reporting option or by continued renewal of the original insurance policies. Submission

EXHIBIT F

of annual Certificates of Insurance, citing the applicable coverages and provisions specified herein, shall continue for three (3) years past the completion or termination of this Agreement.

Policy Deductibles and or Self Insured Retentions: The policies stated in these requirements may provide coverage which contains deductibles or self-insured retention amounts. Any deductibles or self-insured retention are not applicable to the policy limits provided to City of Scottsdale. Liberty is solely responsible for any deductible or self-insured retention amount. City of Scottsdale, at its option, may require Liberty to secure payment of any deductible or self-insured retention by a surety bond or an irrevocable and unconditional Letter of Credit.

Use of Subcontractors: If any work under this Agreement is subcontracted in any way, Liberty must execute a written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements stated in this Agreement protecting City of Scottsdale and Liberty. Liberty will be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

Evidence of Insurance: Prior to the Effective Date of this Agreement, Liberty must furnish City of Scottsdale with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Liberty's insurer(s) as evidence that policies are placed with acceptable insurers as specified in this Agreement and provide the required coverage, conditions, and limits of coverage and that any coverage and provisions are in full force and effect. If a Certificate of Insurance is submitted as verification of coverage, City of Scottsdale will reasonably rely upon the Certificate of Insurance as evidence of coverage but any acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the above cited policies expire during the life of this Agreement, it will be Liberty's responsibility to forward renewal Certificates within 10 days after the renewal date containing all the aforementioned insurance provisions. Certificates will specifically cite the following provisions:

1. City of Scottsdale, its agents, representatives, officers, directors, officials and employees must be named an Additional Insured under the following policies:
 - a) Commercial General Liability;
 - b) Auto Liability;
 - c) Excess Liability - Follow Form to underlying insurance as required.
2. Liberty's insurance must be primary insurance with respect to performance of the subject Agreement.
3. All policies, except Professional Liability insurance, if applicable, waive rights of recovery (subrogation) against City of Scottsdale, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or services performed by Liberty under this Agreement.
4. If the Liberty receives notice that any of the required policies of insurance are materially reduced or cancelled, it will be Liberty's responsibility to provide prompt notice of same to the City, unless such coverage is immediately replaced with similar policies.

EXHIBIT F

C. Required Coverage

Commercial General Liability: Liberty must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate Limit. The policy must cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope then underlying.

Vehicle Liability: Liberty must maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Liberty's owned, hired, and non-owned vehicles assigned to or used in the performance of the Liberty's work or services under this Agreement. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope then underlying. If any hazardous material, as defined by any local, state or federal authority, is the subject of, or transported, in the performance of this Agreement, an MCS 90 endorsement is required providing \$5,000,000 per occurrence limits of liability for bodily injury and property damage.

Workers Compensation Insurance: Liberty must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Liberty's employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

Pollution Liability:

If the Liberty's performance under this Agreement requires the acceptance, storage or disposal of any hazardous materials, the Liberty shall secure coverage with limits of at least:

Each Occurrence	\$5,000,000
Annual Aggregate	\$5,000,000

- a. The policy shall include coverage for bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death.
- b. The policy shall include coverage for property damage, including physical damage to or destruction of tangible property and the resulting loss of use thereof, cleanup costs, and the loss of use of tangible property that has not been physically damaged or destroyed.
- c. For losses that arise from the facility that is accepting hazardous material under this Agreement, coverage shall apply to sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere, or any watercourse or body of water, which results in bodily injury or property damage.

EXHIBIT F

- d. The policy shall include coverage for defense, including costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages.

RESOLUTION NO. 10367

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE,
MARICOPA COUNTY, ARIZONA AUTHORIZING THE AMENDED AND
RESTATED WASTEWATER TREATMENT AND CAPACITY
AGREEMENT NO. 1996-058-COS-A1 WITH LIBERTY UTILITIES

Liberty is a public service corporation and owns and operates a wastewater collection system within portions of the Town of Carefree and the City of Scottsdale, and provides wastewater utility service to approximately 2000 customers under rates set by the Arizona Corporation Commission ("ACC"); and

Since 1989, Scottsdale and Liberty have entered into agreements whereby Scottsdale has accepted deliveries of wastewater from Liberty, and Liberty has purchased wastewater treatment capacity and paid Scottsdale for wastewater treatment services; and

Given the passage of time and changed circumstances since the last agreement was signed in 1996, Scottsdale and Liberty wish to enter into a new agreement that supersedes the prior agreement and restates the Parties' respective rights and obligations and the terms and conditions under which Scottsdale will continue to furnish access to the purchased wastewater treatment capacity and to treat wastewater from Liberty.

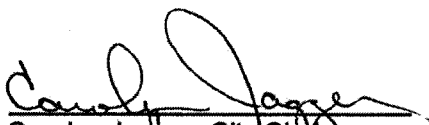
NOW, THEREFORE, be it resolved by the Council of the City of Scottsdale as follows:

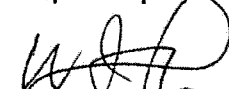
The Mayor is authorized and directed to execute on behalf of the City of Scottsdale the Amended and Restated Wastewater Treatment and Capacity Agreement No. 1996-058-COS-A1 with Liberty Utilities.

PASSED AND ADOPTED by the Council of the City of Scottsdale this 15th day of March, 2016.


CITY OF SCOTTSDALE, an Arizona
municipal Corporation

ATTEST:

By: 
Carolyn Jagger, City Clerk


W. J. "Jim" Lane, Mayor

APPROVED AS TO FORM:


Bruce Washburn, City Attorney
By: Clifford J. Frey
Senior Assistant City Attorney